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STONEBRIDGE LIFE INSURANCE COMPANY

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

**TERRI SMITH and MICHELLE
SMITH FREGOSO.**

Plaintiffs,

**STONEBRIDGE LIFE
INSURANCE COMPANY.**

Defendants.

Case No. C 08-01466 JCS
Magistrate Judge Joseph C. Spero

DECLARATION OF CHERYL
PENNER IN SUPPORT OF
DEFENDANT STONEBRIDGE LIFE
INSURANCE COMPANY'S
OPPOSITION TO PLAINTIFFS'
MOTION FOR PARTIAL SUMMARY
JUDGMENT ON PLAINTIFFS' FIRST
CAUSE OF ACTION FOR BREACH
OF CONTRACT

[Filed concurrently with:
(1) Opposition to Plaintiffs' Motion for Partial Summary Judgment;
(2) Declaration of Joseph E. Laska;
(3) Evidentiary Objections to Declaration of Michele Smith Fregoso; and
(4) Evidentiary Objections to Declaration of John Stennett.]

Hearing Date: September 26, 2008
Hearing Time: 9:30 a.m.
Courtroom: A

Action Filed: September 5, 2007

DECLARATION OF CHERYL PENNER

I, Cheryl Penner, declare as follows:

3 1. I am over 18 years old. I am a Produce Lead in the Product Filing and
4 Compliance Department at Stonebridge Life Insurance Company (“Stonebridge”),
5 the defendant in this action. I have held a position in the Product Filing and
6 Compliance Department since 1989. My duties include developing and drafting
7 policy forms for submission to the California Department of Insurance (“DOI”), as
8 well as participating in the filing of policy forms in other states. I am familiar with
9 the filing of and approval by the DOI of the various policy forms issued by
10 Stonebridge.

11 2. I have personally reviewed Accidental Death and Dismemberment
12 Policy No. 72A45PO585 issued to Ms. Hall-Hussain effective November 7, 2005
13 (the “Policy”), along with the documents Stonebridge submitted to and received
14 from the DOI regarding the underlying policy form. I have personal knowledge of
15 the facts set forth in this declaration. If called as a witness, I can and will testify
16 competently to all of these facts.

17 3. On November 17, 2000, J. C. Penney Life Insurance Company (now
18 known as Stonebridge) submitted Individual Accidental Death and Dismemberment
19 policy form number D454R to the DOI for approval. Attached as **Exhibit 1** are
20 true and correct copies of the documents, including a sample policy form, submitted
21 to the DOI for approval.

22 4. On May 30, 2001, the DOI approved policy form number D454R.
23 Attached as **Exhibit 2** is a true and correct copy of the document reflecting the
24 DOI's approval of policy form number D454R.

25 5. The Policy issued to Ms. Hall-Hussain is an Individual Accidental
26 Death and Dismemberment policy and is based on policy form number D454R, as
27 reflected by the number in the lower left-hand corner of the Policy.

1 I declare under penalty of perjury under the laws of the United States of
2 America that the foregoing is true and correct, and that this declaration was
3 executed by me on August 8, 2008 in Plano, Texas.

4 
5 _____
6 Cheryl Penner

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EXHIBIT 1

CALIFORNIA DEPARTMENT OF INSURANCE

FILING COVER SHEET
for
FORMS FILINGS with the POLICY APPROVAL BUREAU

FILE COPY

(Suggested for use as the cover letter required by Title 10, California code of Regulations §2205 for filings of policy forms in the DOCUMENT CLASSES listed below. Other DOCUMENT CLASSES are filed with other department bureaus per §2206.)

TO: California Department of Insurance Policy Approval Bureau 45 Fremont Street San Francisco CA 94105	FROM: J. C. Penney Life Insurance Company Submitter and Complete Mailing Address: J. C. Penney Life Insurance Company 2700 West Plano Parkway Plano, Texas 75023
Submission Date: November 17, 2000	

1. IDENTIFYING FORM NUMBER(S): D454R

[The form number(s) of one or more of the documents submitted by which the filing can be identified. §2205(a)]

2. DOCUMENT CLASS [The subdivision of 10 CCR §2202(a) which best describes the forms submitted. §2205(b)]

Generic Description and Definition Citation	Check Below	Generic Description and Definition Citation	Check Below
"Health Insurance" [Hospital, medical, surgical insurance, expense-incurred or indemnity. §2202(a)(1)]	<input type="checkbox"/>	"Credit Life and Disability" [§2202(a)(7)]	<input type="checkbox"/>
"Group and Blanket Life and Non-health Disability" [(§2202(a)(2)]	<input type="checkbox"/>	"Supplemental Life Benefits" [§2202(a)(8)]	<input type="checkbox"/>
"Individual Disability, Non-health" [§2202(a)(3)]	<input checked="" type="checkbox"/>	"Variable Life and Annuities" [§2202(a)(8)]	<input type="checkbox"/>
"Medicare Supplement" [§2202(a)(4)]	<input type="checkbox"/>	"Fraternals" [Non-health Disability. §2202(a)(9)]	<input type="checkbox"/>
"Long-term Care" [§2202(a)(5)]	<input type="checkbox"/>	"Unclassified"** [§2202(a)(11)]	<input type="checkbox"/>

* Describe briefly (documents other than those described above may have to be filed with other Department Bureaus; see §2206):

3. GROUP AND/OR INDIVIDUAL [Are the forms group, individual or used in both contexts? §2205(b)]

Group Only:	Individual Only:	<input checked="" type="checkbox"/>	Group AND Individual:
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4. EMPLOYER SIZE (Employer Health Insurance Only) [Where the forms submitted provide health coverage through employment, the minimum and the maximum sizes of the employers in terms of number of employees. §2205(c)] N/A

2 to 50 Employees:	Over 50 Employees:	All Employers:
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5. REPLACES PREVIOUSLY-APPROVED DOCUMENT(S)? [Do any documents replace previously-approved documents. 2205(d)] NO

JCPenney Life Insurance Company

2700 West Plano Parkway • Plano, Texas 75075-8200

November 17, 2000

The Honorable J. Clark Kelso
Acting Commissioner of Insurance
California Department of Insurance
Policy Approval Bureau
45 Fremont Street, 23rd Floor
San Francisco, CA 94105

Attention: Mr. Michael Bayless

RE: J. C. Penney Life Insurance Company
NAIC # 268-65021
FEIN: 03-0164230
D454R: Individual Accidental Death and Dismemberment Policy
OC D454: Outline of Coverage
IGA020: Application
Actuarial Memorandum
SERFF Tracking Number: MFRI-4MDPVC958/00

Dear Commissioner:

As a result of your note dated November 9, 2000, I am resubmitting the above captioned forms. The forms were previously filed with your Department via SERFF on October 31, 2000. Due to complications with the SERFF conversion, I am resubmitting the filing on paper.

Enclosed for your review and approval are copies of the above captioned forms. These forms are new and do not replace any forms previously approved by your Department. The forms have been completed in "John Doe" fashion.

D454R is an individual accidental death and dismemberment policy. It provides benefits for any covered person who suffers loss of life or dismemberment as a result of bodily injury caused by an accident. Variable data is bracketed in red.

OC D454 is the Outline of Coverage that summarizes the coverage provided by the policy.

Application IGA020 will be used to solicit this and other similar products approved by your Department. We request approval of this application in various dimensions. No dimension change would produce unacceptable print. Variable data is bracketed.

These forms were approved by Vermont, our state of domicile, on July 28, 2000.

The readability score for the policy is 50.5. Microsoft Word 97 was used to obtain this score. Any variable data that is bracketed in red in this filing will never be more or less than required by statute.

The Actuarial Memorandum is attached for your information.

This coverage will be mass-marketed by direct response, internet and telemarketing methods.

Completed filing forms and a postage-paid return envelope are enclosed.

The Honorable J. Clark Kelso
November 17, 2000
Page 2

I respectfully request your favorable review and approval. We appreciate your consideration of these forms. Should you have any questions, please feel free to call us collect at (972) 881-6289 or contact me by e-mail at mfrei@jcpenney.com.

Sincerely,

J. C. PENNEY LIFE INSURANCE COMPANY

Margaret Frei

Margaret Frei, ACS, AIRC, ASF
Contract Analyst II

Enclosures

JCPenney Life Insurance Company

A Stock Company
 Home Office: Rutland, Vermont
 Administrative Office: 2700 West Piano Parkway, Plano, Texas 75075

ACCIDENTAL DEATH AND DISMEMBERMENT COVERAGE

J. C. Penney Life Insurance Company (herein called "we," "us" or "our") has issued this Policy to the Insured (herein called "you," "your" or "yours"). Coverage is provided to you, the Insured, and any covered family members, subject to all the exclusions and provisions of this Policy.

THIRTY DAY RIGHT TO EXAMINE POLICY

If you are not satisfied with this insurance, you may void it by returning this Policy within thirty days after you receive it to our Administrative Office. You will receive a full refund of any premium you have paid.

NONCANCELABLE AND GUARANTEED RENEWABLE FOR LIFE

You may keep this Policy in force for as long as you live. We do not have the right to:

1. cancel your coverage; or
2. place any restriction on your coverage while it is in force; or
3. refuse a premium paid on or before the date due or within the Grace Period.

Renewal premiums may not be increased.

If a person is added to or removed from coverage, the premium amount may be adjusted to reflect the change in coverage. Renewal premiums are due on the first day of each renewal period. Your coverage will expire if the premium is not paid by the end of the Grace Period.

This Policy is signed for J. C. Penney Life Insurance Company by its Secretary and its President.



Secretary



President

Countersignature of licensed resident agent (if required by your state)

SCHEDULE OF INSURANCE

POLICY NUMBER:	EFFECTIVE DATE:	02-01-2000
INSURED:	MONTHLY PREMIUM:	\$9.95
JOHN Smith 111 MAIN STREET ANYTOWN, CA 11111	FAMILY COVERAGE:	YES

SCHEDULE OF INSURANCE

PRINCIPAL SUMS:	AMOUNT		
COVERED PERSONS UNDER AGE 70:	INSURED	SPOUSE	EACH CHILD
PART I COMMON CARRIER	\$ 1,000,000	\$ 100,000	\$ 20,000
PART II PRIVATE PASSENGER AUTOMOBILE AND LAND MOTOR VEHICLE	\$ 100,000	\$ 50,000	\$ 5,000
PART III ALL OTHER INJURIES	\$ 40,000	\$ 10,000	\$ 5,000

COVERED PERSONS AGE 70 AND OVER:

BENEFITS ARE ONE-HALF (50%) OF THE ABOVE AMOUNTS IF, BEFORE THE DATE OF INJURY RESULTING IN A COVERED LOSS, THE COVERED PERSON HAS ATTAINED AGE 70.

GUIDE TO POLICY PROVISIONS

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DEFINITIONS

INSURED (herein called "you," "your," or "yours") means you, the Insured named on the Schedule of Insurance, provided coverage has become effective.

COVERED PERSON means, for coverage purposes only, you and the following persons, provided coverage has become effective:

1. your spouse; and
2. each of your children (including step-children, or legally adopted children, children who have been legally placed for adoption, or children in the waiting period prior to finalization of proposed adoption by either you or your spouse) 18 years of age or younger, unmarried and dependent upon you for support and maintenance; and
3. your unmarried child 19 years of age but less than 23 years of age if the child is:
 - a. a full-time student; and
 - b. dependent upon you for support and maintenance.

INJURY for which benefits are provided, means bodily injury caused by an accident which occurs while this Policy is in force. The Injury must be the direct cause of Loss, independent of disease or bodily infirmity.

INJURED means having suffered an Injury.

LOSS means:

1. Loss of Life;
2. With reference to hand or foot, complete severance at, through, or above the wrist or ankle joint;
3. With reference to eye, the total and irrecoverable loss of the entire sight thereof.

Loss does not mean loss of use.

PRIVATE PASSENGER AUTOMOBILE means a four-wheeled automobile which is required to be registered with the state for use on public highways; which is not registered to carry passengers for hire and which is of the pleasure type, including a station wagon, van, jeep, or truck type with a factory rating load capacity of 2,000 pounds or less or self-propelled motor home type vehicles.

Construction equipment, recreational vehicles, motorcycles and motorscooters are specifically excluded under Private Passenger Automobile. Farm equipment and forklifts, unless specifically designed and primarily used for transportation, are excluded.

LAND MOTOR VEHICLE includes any gasoline, diesel, or similarly powered vehicle which is required to be registered with the state for use on public highways,

primarily used for transportation on land and for which the operator is required to be licensed.

This category includes, but is not limited to the following:

1. vehicles considered "Private Passenger Automobiles" by the Policy; and
2. vehicles with more than four wheels, such as tractor/trailer rigs and flat bed trucks.

Construction equipment, recreational vehicles, motorcycles and motorscooters are specifically excluded under Land Motor Vehicle. Farm equipment and forklifts, unless specifically designed and primarily used for transportation, are excluded.

COMMON CARRIER means a public conveyance which is:

1. licensed to transport passengers for hire; and
2. provided and operated (a) for regular passenger service by land, water, or air, and (b) on a regular passenger route with a definite regular schedule of departures and arrivals between established and recognized points of departure and arrival; and
3. provided and operated under a Common Carrier license at the time of Loss.

ELIGIBILITY

If you have reached the age of 18 years and are under the age of 81, you are eligible to apply for coverage under this Policy for yourself and for your eligible family members.

EFFECTIVE DATE

Coverage shall become effective on the date shown on the Schedule of Insurance.

TERMINATION

Your insurance ends on the last day of the period covered by your last premium payment, subject to the Grace Period provision.

COVERAGE**PART I - BENEFIT FOR TRAVEL BY REGULARLY SCHEDULED COMMON CARRIER**

If a Covered Person is injured as a direct result of a collision, crash or sinking of a duly licensed Common Carrier while riding as a fare paying passenger inside such Common Carrier, we will pay the applicable benefits listed in Part I of the Schedule of Insurance for the appropriate Loss as shown in the Schedule of Losses and Benefits.

PART II - BENEFIT FOR TRAVEL BY PRIVATE PASSENGER AUTOMOBILE AND LAND MOTOR VEHICLE

If a Covered Person is injured:

1. by being struck by a Private Passenger Automobile; or
2. as a direct result of a collision or crash of a Private Passenger Automobile; or
3. by being struck by a Land Motor Vehicle; or
4. as a direct result of a collision or crash of a Land Motor Vehicle,

we will pay the applicable benefit specified in Part II of the Schedule of Insurance for the appropriate Loss as shown in the Schedule of Losses and Benefits.

PART III - BENEFIT FOR ALL OTHER INJURIES RESULTING IN A LOSS

If a Covered Person is injured in an accident not covered under Part I or Part II and not otherwise excluded in the Policy, we will pay the applicable benefit specified in Part III of the Schedule of Insurance for the appropriate Loss as shown in the Schedule of Losses and Benefits.

SCHEDULE OF BENEFITS**ACCIDENTAL DEATH AND DISMEMBERMENT**

If, as a result of Injury occurring under any of the circumstances listed in the Coverage section, and not otherwise excluded, a Covered Person suffers any of the following Losses within 90 days after the date of an accident which caused such Injury, we will pay the benefit shown below:

SCHEDULE OF LOSSES AND BENEFITS

Life	THE PRINCIPAL SUM
Both Hands or Both Feet or Sight of Both Eyes	The Principal Sum
One Hand and One Foot	The Principal Sum
One Hand and Sight of One Eye	The Principal Sum
One Foot and Sight of One Eye	The Principal Sum
One Hand or One Foot or Sight of One Eye	One-Half the Principal Sum

Principal Sums for each Covered Person are as specified on the Schedule of Insurance. Only one of the above benefits, the largest, will be paid for multiple Losses that result from one accident for each Covered Person.

EXCLUSIONS

No benefit shall be paid for injury that:

1. is intentionally self-inflicted, while sane or insane;
2. is due to a war or act of war, whether declared or not;
3. is caused by or results from the Covered Person's taking or using any narcotic, barbiturate or any other drug, unless taken or used as prescribed by a Physician;
4. is caused by or results from the Covered Person's blood alcohol level being 10 percent weight by volume or higher;
5. occurs while the Covered Person is acting either as a pilot or crew member or while a passenger, other than a fare paying passenger, in any aircraft;
6. had as its contributing cause, the Covered Person's commission of or attempt to commit a felony, or had as its contributing cause, the Covered Person's being engaged in an illegal occupation; or
7. is due to disease, bodily or mental infirmity, or medical or surgical treatment of these.

REDUCTION

All benefits will reduce by one-half (50%) of that otherwise payable if, before the date of injury resulting in a covered loss, the Covered Person attains age 70.

BENEFICIARY

All benefits are payable to you, if living. Unless you specify otherwise, any other benefit due for Loss of Life will be paid as follows:

1. At your death, it will be paid to your spouse, if living; otherwise, to your estate.
2. At the death of any other Covered Person, it will be paid to you, if living; otherwise, as though it were payable under (1) above.

Any payment made under this section will fully release the Company to the extent of the payment. The beneficiaries designated may be changed in accordance with the Change of Beneficiary Provision, subject to the community property laws in your state of residence.

CONTINUATION OF COVERAGE

In the event of your death, your covered spouse, if any, shall be deemed the Insured. Otherwise, the coverage will terminate on the next renewal date. If your spouse ceases to be your spouse for reasons other than your death, your spouse will no longer be covered as of the next monthly renewal date.

Coverage for any covered child insured under this Policy shall terminate as of the next renewal date after the covered child's marriage or 19th birthday. If any covered child is unmarried, a full-time student, and dependent upon the Insured for support and maintenance, coverage under this Policy shall terminate as of the next renewal date after the covered child's 23rd birthday.

A covered child may continue to be covered if upon reaching the limiting age the covered child is, and continues thereafter to be, both:

1. Incapable of self-sustaining employment by reason of mental or physical handicap; and
2. chiefly dependent upon you for support and maintenance.

You must write and tell us a covered child meets the above requirements for Continuation of Coverage. We may require periodic proof of continued eligibility for Continuation of Coverage.

CONVERSION

The covered child or spouse whose coverage ceases may apply for his or her own Policy within 31 days after coverage ceases. No evidence of insurability will be required. The new Policy will be issued:

1. on our form at that time with benefits most like but not greater than those of this Policy; and
2. at the adult rate for the attained age of the person at that time.

The Effective Date of coverage under the new Policy will be the same as the Effective Date of the conversion. We will not pay under the new Policy for any Loss for which benefits have been paid under this Policy.

NEWBORN CHILDREN

If your spouse or any children are already covered under this Policy and a child is born to you, the benefit amount for the newborn child will be the same as for other children. If no other child is covered under this Policy, the benefit will be the amount which would have been issued to children as of the Effective Date of this Policy.

If neither your spouse nor another child is covered under this Policy, you must notify us of the birth of a child if you wish to add child coverage. There will be an increase in the premium as of the next monthly renewal date after we have been notified of the child's birth. The child is covered free from the time of notification until that date. The child will be dropped from coverage if the increased premium is not paid within 31 days after that due date. The child's benefit will be the amount which would have been issued to children as of the Effective Date of this Policy.

GENERAL PROVISIONS

ENTIRE CONTRACT; CHANGES

This Policy, including the application, and any endorsements or attached papers, if any, constitutes the entire contract of insurance. No change in this Policy will be valid until approved by an executive officer of the Company and unless such approval is endorsed hereon or attached hereto. No agent has authority to change this Policy or waive any of its provisions.

INCONTESTABILITY

We cannot contest this Policy except for fraud or for not paying premiums.

CHANGE OF BENEFICIARY

You may change the beneficiary at any time by writing to us at 2700 West Plano Parkway, Plano, Texas, 75075. Once we record the change, it will take effect as of the day you signed the request, subject to any claim payment made before such recording. The consent of the beneficiary is not needed for the change, unless the beneficiary designation was irrevocable. Any change of beneficiary is subject to Community Property laws in your state of residence.

PAYMENT OF PREMIUM

Premiums are payable at our Administrative Office. Each premium, after the first premium, is payable in advance on or before its due date. The due date means the date a premium is due to maintain coverage, exclusive of the Grace Period. Failure to pay any premium, after the first premium, on or before its due date will constitute default in payment of premium as of the due date.

GRACE PERIOD

If a premium is not paid when due, the insurance shall be in default. We will allow a 31 day Grace Period to pay each premium after the first one. If a premium is not paid on or before the end of the Grace Period, the insurance shall terminate, effective the last day of the period covered by your last premium contribution.

REINSTATEMENT

Your Policy will lapse if you do not pay your premium before the end of the Grace Period. If we later accept a premium and do not require an application for reinstatement, that payment will put the Policy back in force. If we require an application for reinstatement, this Policy will be put back in force when we approve it and the required premium is received. If we do not approve it, the Policy will be put back in force on the 45th day after the date of application for reinstatement, unless we give you prior written notice of its disapproval.

The reinstated Policy only covers Loss due to an injury caused by an accident that occurs after the date of reinstatement. In all other respects, you and we have the same rights under the Policy as were in effect before it lapsed, unless special conditions are added in connection with the reinstatement.

NOTICE OF CLAIM

Written Notice of Claim must be given to us within 30 days after any Loss covered under the Policy occurs or as soon as possible thereafter. You may give the notice or may have someone do it for you. The notice should include your name and Policy Number as shown on the Schedule of Insurance. Notice should be mailed to us at P.O. Box 869090, Plano, Texas, 75086-9916.

CLAIM FORMS

When we receive the Notice of Claim, we will send the claimant forms for filing Proof of Loss. If we do not send the forms within 15 days, the claimant can meet the Proof of Loss requirement by providing us with a written statement describing what happened. We must receive this statement within the time given for filing Proof of Loss.

PROOF OF LOSS

Written Proof of Loss must be given to us within 90 days after the date of the Loss or as soon as possible thereafter. Proof must, however, be furnished no later than one year from the time it is otherwise required, except in the absence of legal capacity.

MISSTATEMENT OF AGE

If the age of a Covered Person has been misstated, all amounts payable shall be in the amount the premium paid would have bought for the correct age. If, as a result of misstatement, we accept a premium for any period when coverage would not normally have been in effect, then our liability for such period shall be a refund, upon request, of all premiums paid for such period.

TIME OF PAYMENT OF CLAIMS

We will pay all benefits covered by the Policy as soon as we receive proper written Proof of Loss sufficient to determine liability.

PAYMENT OF CLAIMS

All benefits are payable to you, if living. Loss of Life benefits for you are payable in accordance with the beneficiary designation in effect at the time of payment. Any benefits, other than for Loss of Life, unpaid at your death may be paid, at our option, either to your beneficiary or estate.

ASSIGNMENT

You may assign any rights you have under this Policy, including the right to receive benefits. We are not bound by any assignment unless it is in writing and recorded by us. We are not responsible for the validity of any assignment. The rights of an assignee will at all times be subject to any indebtedness to us.

PHYSICAL EXAM AND AUTOPSY

At our expense, we shall have the right to examine a Covered Person when and as often as is reasonable while a claim is pending. We may also have an autopsy done in case of death where it is not forbidden by law.

LEGAL ACTIONS

No action can be brought to recover on the Policy for at least 60 days after written Proof of Loss has been furnished. No such action shall be brought more than 3 years after the date Proof of Loss is required.

CONFORMITY WITH STATE STATUTES

The provisions of this Policy must conform with the laws of the state in which you reside on the Effective Date. If any do not, they are hereby amended to conform.

OTHER INSURANCE IN THIS COMPANY

If a Covered Person is insured under more than one Accidental Death and Dismemberment policy in effect with us at any one time, our maximum liability is limited to the lesser of the total amount of benefits payable under all such policies or \$1,000,000. Upon discovery of duplication in excess of our maximum liability, we will refund all premiums paid for all such policies.

J. C. PENNEY LIFE INSURANCE COMPANY

2700 West Piano Parkway
Plano, Texas 75075

REQUIRED OUTLINE OF COVERAGE

ACCIDENT ONLY COVERAGE

INDIVIDUAL POLICY D454R

Read Your Policy Carefully. This outline of coverage provides a very brief description of some important features of your Policy. This is not the insurance contract and only the actual Policy provisions will control. The Policy itself sets forth in detail the rights and obligations of both you and J. C. Penney Life Insurance Company. It is, therefore, important that you READ YOUR POLICY CAREFULLY!

Accidental Death and Dismemberment Coverage. This category of coverage is designed to provide insured persons with benefits for certain Losses resulting from a covered accident ONLY, subject to any limitations contained in the Policy. Coverage is not provided for basic hospital, basic medical-surgical, or major medical expenses due to sickness.

Benefits. If, as a result of an Injury occurring under any of the circumstances included in Parts I, II, and III of the Coverage section of the Policy, and not otherwise excluded, the Primary Insured suffers any of the following Losses within 90 days after the date of an accident which caused such Injury, we will pay the benefit shown below. Other Covered Persons, if any, should refer to the Policy Schedule Page for benefits.

LOSS	BENEFIT		
	PART I COMMON CARRIER	PART II MOTOR VEHICLE	PART III ALL OTHER INJURIES
Life			
Both Hands or Both Feet or Sight of Both Eyes	*Ages 18-69: \$1,000,000	*Ages 18-69: \$100,000	*Ages 18-69: \$40,000
One Hand and One Foot			
One Hand and Sight of One Eye			
One Foot and Sight of One Eye			
One Hand or One Foot or Sight of One Eye	One-half the Principal Sum named above		

*The benefits shown are for the primary insured, ages 18 - 69. For ages 70 and over, benefits are one-half of the amount shown.

Injury must be caused by an accident which occurs while the insurance is in force. Only one benefit, the largest, will be paid for multiple injuries that result from one accident for each Covered Person.

Exclusions. No benefit shall be paid for Injury that:

1. is intentionally self-inflicted, while sane or insane;
2. is due to a war or act of war, whether declared or not;
3. is caused by or results from the Covered Person's taking or using any narcotic, barbiturate or any other drug, unless taken or used as prescribed by a Physician;
4. is caused by or results from the Covered Person's blood alcohol level being .10 percent weight by volume or higher;
5. occurs while the Covered Person is acting either as a pilot or crew member or while a passenger, other than a fare-paying passenger, in any aircraft;
6. had as its contributing cause, the Covered Person's commission of or attempt to commit a felony, or had as its contributing cause, the Covered Person's being engaged in an illegal occupation;
7. is due to disease, bodily or mental infirmity, or medical or surgical treatment of those.

Renewability. This Policy is Non-Cancelable for life.

Individual Accidental Death and Dismemberment Insurance

YES!

I want to apply for this Accidental Death and Dismemberment coverage for me and my eligible family members (if family plan is selected). The Benefit I want is:

(\$x.xx per month for me and my eligible family members.)

I understand that my coverage can never be cancelled as long as I pay my premiums, and my premiums can never be increased. My coverage will become effective on the date stated on my Policy Schedule (Page)

Jane C. Customer
123 Main St.
City, State Zip

Date of Birth: (00/00/000)
Home Telephone: (555) 111-2222
 Male Female

Beneficiary Designation: Any amount due for loss will be paid to you if living. At your death, it will be paid to your spouse, if living; otherwise, to your estate.

Beneficiary: (John Doe) Relationship: (Spouse)

(Jane C. Customer) Date: (6-14-00)
Insured's Signature

J.C.Penney Life Insurance Company
Home Office: Rutland, Vermont

IGA020 Administrative Office: 2700 West Plano Parkway, Plano, Texas 75075-8200

EXHIBIT 2

CALIFORNIA DOCUMENT SUBMISSION FORMSET

California Insurer Number: <u>24877</u> (NOT NAIC Number) <u>1681-6</u>		FOR DEPARTMENT USE ONLY		
Official Insurer Name: J. C. Penney Life Insurance Company		Our File # <u>00-15636</u>	Fee Code: <u>INT</u>	Reviewer: <u>MATB</u>
Submitter and Complete Mailing Address: Margaret Frei Contract Analyst II J. C. Penney Life Insurance Company 2700 W. Plano Parkway Plano, Texas 75075				
Submission Date:		Dept Action Date: <u>5/30/2001</u>		
Document Form Number	Doc Type (Policy, etc)	Document Coverage	Department Action	Fee
1.D454R	Policy	<u>ADD</u>	<u>AUTH</u>	<u>580</u>
2.OC D454	Outline of Coverage	<u>1</u>	<u>1</u>	
3. IGA020	Application	<u>1</u>	<u>1</u>	
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INSTRUCTIONS: Complete the part of the form to the left of the double vertical line. Enter one document to a numbered line. Use additional formsets if necessary. Be accurate - the copy of this form that we return to you will be your only record of our action on your submission.				Total \$ <u>580.00</u>
THIS IS NOT A BILL - DO NOT PAY. YOU WILL RECEIVE A SEPARATE FILING FEE INVOICE SHORTLY; REMIT FEES ONLY WITH THAT INVOICE.				Cont'd on <u> </u> Pages

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